

# UTILITY PATENT APPLICATION TRANSMITTAL

Attorney Docket No.

HERO-1-1099

First Inventor or Application Identifier

BROWN

Title

Method for Conducting an On-Line Bidding Session with bid Pooling

Express Mail Label No.

EL476438129US

(Only for nonprovisional applications under 37 CFR § 1.53(b))

## APPLICATION ELEMENTS

See MPEP chapter 600 concerning utility patent application contents.

## ADDRESS TO:

Box Patent Application  
Assistant Commissioner for Patents  
Washington, D.C. 20231

- ☐ General Authorization Form & Fee Transmittal  
(Submit an original and a duplicate for fee processing)
2. ☒ Specification [Total Pages] 17  
(preferred arrangement set forth below)
- Descriptive Title of the Invention
  - Cross References to Related Applications
  - Statement Regarding Fed sponsored R & D
  - Reference to Microfiche Appendix
  - Background of the Invention
  - Brief Summary of the Invention
  - Brief Description of the Drawings (if filed)
  - Detailed Description
  - Claim(s)
  - Abstract of the Disclosure

3. ☒ Drawing(s) (35 USC 113) [Total Sheets] 8
4. Oath or Declaration [Total Pages] 1

- a. ☐ Newly executed (original or copy)
- b. ☒ Copy from a prior application (37 CFR 1.63(d))  
(for continuation/divisional with Box 17 completed)
- i. ☐ DELETION OF INVENTOR(S)  
Signed statement attached deleting inventor(s) named in the prior application, see 37 CFR 1.63(d)(2) and 1.33(b)

5. Incorporation By Reference (useable if box 4b is checked)  
The entire disclosure of the prior application, from which a copy of the oath or declaration is supplied under Box 4b, is considered to be part of the disclosure of the accompanying application and is hereby incorporated by reference therein.

6. ☐ Microfiche Computer Program (Appendix)
7. ☐ Nucleotide and Amino Acid Sequence Submission  
(if applicable, all necessary)
- a. ☐ Computer-Readable Copy
- b. ☐ Paper Copy (identical to computer copy)
- c. ☐ Statement verifying identity of above copies

## ACCOMPANYING APPLICATION PARTS

8. ☒ Assignment Papers (cover sheet & document(s))
9. ☒ 37 CFR 3.73(b) Statement (when there is an assignee) ☐ Power of Attorney
10. ☐ English Translation Document (if applicable)
11. ☐ Information Disclosure Statement (IDS)/PTO-1449 ☐ Copies of IDS Citations
12. ☐ Preliminary Amendment
13. ☒ Return Receipt Postcard
14. ☐ Small Entity Statement(s) ☒ Statement filed in prior application, Status still proper and desired
15. ☐ Certified Copy of Priority Document(s)  
(if foreign priority is claimed)
16. ☒ Other: Certificate of Express Mail  
Check No  
(no check at this time)

17. If a CONTINUING APPLICATION, check appropriate box and supply the requisite information below and in a preliminary amendment

☒ Continuation ☐ Divisional ☐ Continuation-in-Part (CIP) of prior Application No.: 09/304,446

Prior application information: Examiner HAYES, J. Group / Art Unit 2761

☐ Claims the benefit of Provisional Application No. \_\_\_\_\_

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Date

Sept. 1, 2000

JCS05 U.S. PTO 09/01/00

09/01/00



IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant: Stephen J. Brown Attorney Docket No. HERO-1-1041  
Serial No.: 09/304,446 Group Art Unit: 2761  
Filed: May 3, 1999 Examiner: Hayes, J.  
Title: METHOD FOR CONDUCTING AN ON-LINE BIDDING SESSION WITH  
BID POOLING

TRANSMITTAL LETTER

TO THE ASSISTANT COMMISSIONER FOR PATENTS:

We enclose herewith the following papers:

1. Copy of Revocation and Power of Attorney;
2. Copy of MPEP §402; and
3. Terminal Disclaimer Under 37 CFR § 1.321 (b) and (c).

Remarks

Pursuant to MPEP § 402, we enclose herewith a copy of the original Power of Attorney which is a Revocation and Power of Attorney from a commonly assigned patent application. (See copy of MPEP §402.)

Respectfully submitted,

BLACK LOWE & GRAHAM<sup>PLLC</sup>

*Michael S. Smith*  
Michael S. Smith  
Registration No. 39,563

FACSIMILE CERTIFICATE

I hereby certify that this paper or fee was faxed to the Examiner at 703.308.9051 service under 37 C.F.R. § 1.6(d) on the date indicated below and is addressed to the Assistant Commissioner for Patents, Washington D.C., 20231.

6/7/00  
Date

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# **VERIFIED STATEMENT (DECLARATION) CLAIMING SMALL ENTITY STATUS (37 CFR 1.9(f) and 1.27(d)) – SMALL BUSINESS CONCERN**

Application No.: 09/304,446

Filing Date: 5/3/99

Applicant(s): Stephen J. Brown

Title: Method for Conducting an On-Line Bidding Session with Bid Pooling

I hereby declare that I am the owner of, or an official empowered to act on behalf of, the entity identified below:

Name of Concern: **Health Hero Network, Inc.**Address of Concern: **2570 West El Camino Real, Suite 111  
Mountain View, CA 94040**

I hereby declare that the concern identified above qualifies as a small business concern as defined in 37 CFR 1.9(d), for purposes of paying reduced fees to the United States Patent and Trademark Office under section 41(a) and (b) of Title 35, United States Code, in that the number of employees of the concern, including those of its affiliates, does not exceed 500 persons. For purposes of this statement, (1) the number of employees of the business concern is the average over the previous fiscal year of the concern of the persons employed on a full-time, part-time or temporary basis during each of the pay periods of the fiscal year, and (2) concerns are affiliates of each other when either, directly or indirectly, one concern controls or has the power to control the other, or a third party or parties controls or has the power to control both.

I hereby declare that rights under contract or law have been conveyed to and remain with the small business concern identified above with regard to the invention identified above and described in the application for Letters Patent filed herewith.

If the rights held by the concern identified above are not exclusive, each individual, concern or organization having rights to the invention is listed below\* and no rights to the invention are held by any person, other than the inventor, who would not qualify as an independent inventor under 37 CFR 1.9(c) if that person made the invention, or by any concern which would not qualify as a small business concern under 37 CFR 1.9(d) or a nonprofit organization under 37 CFR 1.9(e).

\*NOTE: Separate verified statements are required from each named person, concern or organization having rights to the invention averring to their status as small entities. (37 CFR 1.27)

|          |      |   |
|----------|------|---|
| Name:    | none | <input type="checkbox"/> Individual             |
| Address: |      | <input type="checkbox"/> Small Business Concern |
|          |      | <input type="checkbox"/> Nonprofit Organization |

I acknowledge the duty to file, in this application for patent, notification of any change in status resulting in loss of entitlement to small entity status prior to paying, or at the time of paying, the earliest of the issue fee or any maintenance fee due after the date on which status as a small entity is no longer appropriate (37 CFR 1.28(b)).

I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under section 1001 of Title 18 of the United States Code, and that such willful false statements may jeopardize the validity of the application, any patent issuing thereon, or any patent to which this verified statement is directed.

ASSIGNEE: **Health Hero Network, Inc.  
2570 West El Camino Real, Suite 111  
Mountain View, CA 94040**

Official Authorized to Act on Behalf of Assignee:

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Stephen J. Brown

Title: \_\_\_\_\_

President

Date

5  
**Patent Application**  
of  
**Stephen J. Brown**  
for

10 **METHOD FOR CONDUCTING AN ON-LINE BIDDING SESSION WITH BID  
POOLING**

**RELATED APPLICATION INFORMATION**

15 This application is a continuation-in-part of U.S. application Ser. No. 08/603,131 filed  
February 20, 1996.

**FIELD OF THE INVENTION**

20 The present invention relates generally to on-line auctions, and in particular to a method  
for conducting an on-line bidding session that allows individual bidders to pool their bids  
in real-time during the bidding session.

**BACKGROUND OF THE INVENTION**

25 Auctions provide a popular and exciting marketplace for the buying and selling of  
property. In particular, auctions are often used to sell highly valued properties such as  
fine art, collectibles, real estate, and luxury items. Traditionally, participation in these  
high stakes auctions has been exclusively reserved for the extremely wealthy. Many  
ordinary individuals who would like to participate in the excitement of a high stakes  
auction are denied access for two reasons.

30 The first reason is that individual bidders are usually required to attend an auction in  
person to place a bid on an item for sale. This requirement limits participation in the  
auction to those people who live near the auction site or those people who can afford the  
time and expense to travel to the auction site. The second reason is that bidders are  
required to have sufficient funds to pay for a sale item should they place the winning bid.  
35 Because very few people can afford the price of an expensive property, bidding is limited  
to extremely wealthy individuals or to organizations who have raised sufficient funds to

pay for a winning bid before the bidding session has begun. Both of these restrictions must be overcome before participation in high stakes auctions can become more widespread.

5 Many attempts have been made to solve the first problem, gaining bid access to an auction without having to be physically present at an auction site. For example, U.S. Patent 4,789,928 issued to Fujisaki on December 6, 1988 describes an auction information processing system which enables individuals spread over a wide area to participate in an on-line auction. The system includes a host computer connected via  
10 communication lines to remote terminals. Individual bidders enter bids from the remote terminals and the current highest bid and eventual winning bid are displayed in real-time on the remote terminals.

15 While this system has the advantage of allowing a large number of bidders to participate in an on-line auction, it has the disadvantage of requiring each bidder to have sufficient funds to cover a winning bid. Thus, this system solves the first problem of gaining remote access to auctions, but it still limits participation to those individuals who can personally afford the entire purchase price of the property for sale.

20 Another computerized bidding system is disclosed in U.S. Patent 4,903,201 issued to Wagner on February 20, 1990. Wagner describes an automated futures trading exchange in which bids to purchase or offers to sell a particular commodity contract are made by exchange members through remote terminals connected to an exchange computer. The exchange computer matches offer prices and bid prices to complete trading transactions.  
25 This system described by Wagner suffers from the same disadvantage of requiring each individual bidder to have sufficient funds to cover a winning bid. Additionally, bidders are limited to exchange members, so that the ordinary public is excluded from participating.

30 A teleprocessing system used by QVC Incorporated is described in an article entitled "Fashion Re-Evaluates Flickering Fortunes of TV Home Shopping", WWD, November 8, 1995 V170 N87. Shoppers call from their home phones to order items advertised on their television screens. As the orders are received, QVC tallies how many people have bought each particular sale item. QVC then displays the tally for each item on the viewers'  
35 television screens in real-time. This interactive television method of buying an item provides easy remote access to a sale and real-time feedback to buyers. Unfortunately, it

also requires each home shopper to pay for items individually, so that the sale is limited to relatively low cost items.

Another use of television to sell items is described in an article entitled "Auctions Become High Tech", Dealer Business, March 1995 V29 N7. The article describes an auction system in which an auction company sends a signal via satellite to the televisions of individual car dealers. The dealers view a car for sale on their televisions and bid on the car using a telephone or a remote terminal. Like the previous on-line auction systems, this system requires each bidder to have sufficient money to cover the entire cost of the property for sale.

In addition to the auctions mentioned above, several on-line auctions are now being conducted over the Internet. One such auction is described in an article entitled "Cathay Pacific Airways-USA to Hold First Ever Internet CyberAuction" Business Wire, September 26, 1995 p9261084. The article states that Cathay Pacific is auctioning off fifty business class seats from Los Angeles to Hong Kong. Registered bidders submit concealed bids by electronic mail over a two week bidding session. The fifty highest bidders at the close of the bidding session receive an electronic mail message instructing them on how to purchase tickets. This auction system suffers from the same disadvantage of requiring each bidder to have sufficient funds to pay for a winning bid. Moreover, bid information is not displayed to bidders in real-time.

Similarly, Save the Earth Foundation has an Artrock Auction that is described at their world-wide web site [http://www.commerce.com/save\\_earth](http://www.commerce.com/save_earth). To participate in the auction, bidders register and submit bids for auction items through the Internet. Bidders are notified by electronic mail when a bid higher than their own is placed on an item. The winning bidder is also contacted by electronic mail at the close of the bidding session. As in the Cathay Pacific auction, the Artrock Auction requires each bidder to have sufficient funds to pay for a winning bid, and bid information is not displayed to the bidders in real-time.

Auction Web also has on-line auctions, as described at their world-wide web site <http://www.ebay.com>. In this auction system, bidders also register and submit bids through the Internet. Items for sale are graphically displayed on the bidders' screens, in addition to the bid information for each item. Bid information is updated hourly throughout each two week bidding session. Similarly, Christie's International describes

"Results of the World's First On-Line Auction" at their world-wide web site <http://www.christies.com>. In Christie's auction, bidders register and submit bids in the same manner as the Auction Web auction. Unfortunately, like the previously mentioned on-line auctions, both Auction Web and Christie's require each bidder to have sufficient funds to pay for a winning bid.

Thus, existing on-line auctions require each bidder to have sufficient funds to cover a winning bid, severely restricting the number of people who can participate in a high stakes auction. Additionally, not all of the on-line auctions enable bidders to view bid information in real-time, further limiting the excitement of the auction for those few who can afford to participate.

### OBJECTS AND ADVANTAGES OF THE INVENTION

Accordingly, it is an object of the present invention to provide a method for conducting an on-line bidding session that permits individual bidders to pool their bids in order to accumulate a collective bid for a property. It is another object of the invention to greatly increase the number of participants in the bidding session by permitting bidders to contribute amounts of any size to the collective bid. It is a further object of the invention to display updated bid information in real-time for bidders to view from remote computers or terminals.

These and other objects and advantages of the present invention will become more apparent after consideration of the ensuing description and the accompanying drawings.

### SUMMARY

The invention presents a method for conducting an on-line bidding session to accumulate a collective bid for a property. The bidding session is conducted over a computer network that includes a central computer, a number of remote computers, and communication lines connecting the remote computers to the central computer. In a preferred embodiment, the central computer is a world-wide web server and the communication lines are Internet lines that connect bidders at their remote computers to the world-wide web server.

The method includes the step of registering at least one bidding group in the central computer. The bidding group can be an association, institution, museum, or group of investors formed purely for the purpose of bidding together for the property. The bidding

group has a total bid for the property which is tracked in the central computer. The method also includes the step of receiving in the central computer bids entered from the remote computers by members of the bidding group. Each of the bids includes an individual bid amount to be added to the total bid. The method further includes the step of contributing the individual bid amounts to the total bid to accumulate the collective bid for the property. The total bid is preferably displayed to the bidders on the remote computers and updated in real-time after each bid amount is added to the total bid.

In a particularly advantageous embodiment, the method also includes the step of creating a bidder account for each bidder in an account creation computer networked to the central computer. Each bidder account includes a bidder name, a bidder identification number, and a financial account number, such as the bidder's credit card, checking account, or savings account number. In this embodiment, each bid received in the central computer also includes the name and identification number of the person contributing the bid. At the close of a bidding session, if the bidding group accumulates a total bid sufficient to acquire the property, each individual bid contributed to the total bid is matched by bidder identification number to a corresponding bidder account. The corresponding bidder account is then charged the bid amount contributed, facilitating collection of the total bid of the group.

#### BRIEF DESCRIPTION OF THE DRAWINGS

- FIG. 1 is a block diagram illustrating a computer network according to a preferred embodiment of the invention.
- FIG. 2 is a block diagram illustrating the creation of a bidder account according to the preferred embodiment of the invention.
- FIG. 3 is a sample account creation form as it appears on the screen of a remote computer of FIG. 1.
- FIG. 4 is a sample confirmation message as it appears on the screen of a remote computer of FIG. 1.
- FIG. 5 is a block diagram illustrating the processing of a bid according to the preferred embodiment of the invention.
- FIG. 6 is a sample bid entry form as it appears on the screen of a remote computer of FIG. 1.
- FIG. 7 is a flow chart illustrating a method for conducting an on-line bidding session according to the preferred embodiment of the invention.



FIG. 8 is a flow chart illustrating the creation of a bidder account (step 120 in FIG. 7).

FIG. 9 is a flow chart illustrating the execution of a bidding session (step 130 in FIG. 7).

FIG. 10 is a flow chart illustrating the processing of a winning group (step 150 in FIG. 7).

### DETAILED DESCRIPTION

FIGS. 1-6 illustrate a preferred computer network for conducting an on-line bidding session according to the present invention. Referring to FIG. 1, the computer network 10 includes a central computer 18 of an on-line auction company 12. Central computer 18 is connected to a database server 16 serving a bidder database 14 such that database 14 is accessible to central computer 18. Central computer 18 is further networked to a router 20 and a modem M1 for connecting central computer 18 to communication lines 24. In the preferred embodiment, central computer 18 is a world-wide web server machine and communication lines 24 are Internet lines.

Network 10 further includes an account creation computer 28 of an account company 26. Account company 26 is preferably of the type that provides Internet users with a secure account for performing on-line commerce, such as First Virtual Holdings Incorporated located at 11975 El Camino Real, Suite 300, San Diego, California. Account creation computer 28 has a modem M2 for connecting account creation computer 28 to communications lines 24.

Network 10 also includes a number of remote computers 30 each having a modem M3 for connecting the remote computers to communication lines 24. For simplicity of illustration, only three remote computers are illustrated in FIG. 1. It is to be understood, however, that any number of remote computers can be included in the computer network of the present invention. Further, the preferred embodiment utilizes modems and the Internet to network central computer 18, account creation computer 28, and remote computers 30. It will be apparent to one skilled in the art that any type of connections may be used to network the computers. Specific techniques for networking computers are well known.

Each remote computer 30 preferably has an Internet browser 29 for displaying web content in the form of Hyper Text Markup Language (HTML). A suitable browser is

Netscape 3.01 available from Netscape Corporation of Mountain View, California. Browser 29 allows remote computers 30 to access and display the content of an HTML template 22 residing on central computer 18. HTML template 22 contains the main web pages displayed to on-line bidders on remote computers 30. Similarly, account creation computer 28 has an on-line account HTML template 27 accessible from remote computers 30. In a particularly advantageous embodiment, templates 22 and 27 are Secure HTML templates, and Internet browser 29 is a Secure HTML compliant browser. Using Secure HTML ensures confidentiality for the account and bid transactions that will be described below.

FIG. 2 illustrates the main components of central computer 18, account creation computer 28, and remote computer 30 used in the creation of a bidder account 40 and a registration record 42. A bidder 38 at remote computer 30 accesses on-line account HTML template 27 residing on account creation computer 28. Template 27 contains an account creation form 32 which is displayed to bidder 38 on the screen of remote computer 30.

FIG. 3 shows a sample account creation form 32. Account creation form 32 has three fields 54 corresponding to a bidder name 44, a financial account number 46, and a financial account type 48. In the preferred embodiment, financial account number 46 is a credit card number corresponding to a credit card account of the bidder. In alternative embodiments, financial account number 46 is the number of a checking account, savings account, or any other account in which the bidder has available cash or credit. Account creation form 32 also contains a note 56 advising the bidder that a bidder identification number will be assigned in a new account confirmation message, as will be described below. Additionally, form 32 contains a button 52 for the bidder to press to send form 32 to account creation computer 28 after completing the form.

Referring again to FIG. 2, account creation computer 28 has an electronic mail server E2 for sending a new account confirmation message 34 to bidder 38 at remote computer 30. Remote computer 30 has an electronic mail client E3 for receiving and confirming new account confirmation message 34. FIG. 4 illustrates a sample account confirmation message 34. Message 34 includes four fields 55 corresponding to the bidder name 44, financial account number 46, financial account type 48, and bidder identification number 50. Bidder identification number 50 is generated by account creation computer 28 upon receipt of a valid account creation form. Message 34 further contains a note 58 advising the bidder to confirm the new account information with the account company.

Referring again to FIG. 2, account creation computer 28 has storage capability for storing a bidder account 40 that includes the bidder name 44, financial account number 46, and bidder identification number 50. Additionally, mail server E2 is capable of generating a bidder registration message 36 upon receipt of account confirmation from remote computer 30. Registration message 36 includes the bidder name 44 and bidder identification number 50 from the corresponding bidder account. Central computer 18 has an electronic mail server E1 for receiving the registration message 36 from mail server E2. Mail server E1 is linked to bidder database 14 such that a corresponding registration record 42 is created in bidder database 14 upon receipt of registration message 36. Registration record 42 includes the bidder name 44 and bidder identification number 50.

FIG. 5 illustrates the main components of central computer 18, bidder database 14, and remote computer 30 used to submit and record bids in the on-line bidding session. The HTML template 22 residing on central computer 18 contains a bid entry form 76. Bid entry form 76 is displayed on the screen of remote computer 30 when bidder 38 accesses HTML template 22 through communication lines 24.

FIG. 6 illustrates a sample bid entry form 76. Form 76 preferably includes a block 70 showing a graphical picture 72 and/or a description 74 of a property for sale. Bid entry form 76 also lists one or more bidding groups 66 with each bidding group having a total bid 68 for the property. Although two bidding groups are illustrated in FIG. 6, it is to be understood that the method for conducting an on-line bidding session according to the present invention may be practiced with only one bidding group or with any number of bidding groups. In any case, each bidding group has a total bid for the property.

Form 76 further includes four fields 57 corresponding to the bidder name 44, bidder identification number 50, bid amount 62, and bid designation 64. Bid designation 64 indicates the bidding group for which the bid is intended, and bid amount 62 is the amount that the bidder desires to contribute to the total bid of the designated group. Form 76 additionally includes an enter bid button 78 and a create account button 80. Button 78 is for bidder 38 to press to submit bid entry form 76 to central computer 18. Create account button 80 is preferably a link button for bidder 38 to press to connect remote computer 30 to on-line account HTML template 27 so that the bidder can create a bidder account.

Referring again to FIG. 5, central computer 18 is linked to database 14 such that central computer 18 can query registration records 42 stored in database 14. This ensures that when central computer 18 receives a bid entry form, the central computer can verify that the bidder name 44 and/or bidder identification number 50 match an existing registration record 42 in database 14. Central computer 18 and database 14 are further linked such that central computer 18 can store a bid record 60 in database 14. Bid record 60 includes the bidder name 44, bidder identification number 50, bid amount 62, and bid designation 64 received in the bid entry form.

The operation of the preferred embodiment is illustrated in FIGS. 1-10. FIG. 7 is a flow chart illustrating the overall flow a preferred method for conducting an on-line bidding session according to the present invention. The bidding session is conducted to accumulate a collective bid for a property. For example, and not by way of limitation, the bidding session may be conducted by an investment bank during a corporate takeover to accumulate a collective bid from small investors in order to purchase a company. Of course, a company is just one example of a property for which a collective bid may be accumulated. It will be apparent from this description that the method of the present invention may be used to accumulate a collective bid for any type of property. Moreover, there may be only one bidding group accumulating a single collective bid for the property or multiple bidding groups, with each bidding group accumulating a respective collective bid.

To start the bidding session, company 12 preferably receives a graphical picture and/or description of the property, as well as the names of bidding group(s) wishing to participate. Next, in step 110, company 12 registers at least one bidding group in central computer 18. To register the bidding group, company 12 inserts the name of the bidding group into bid entry form 76 of HTML template 22. Company 12 also preferably inserts into bid entry form 76 the graphical picture and/or description of the property. Next, bidders connect their remote computers 30 to central computer 18 to access bid entry form 76. When the bidders access bid entry form 76, the bidding groups 66 and total bids 68 are displayed on their remote computers, as shown in FIG. 6.

Next, each bidder creates his or her own bidder account 40 in account creation computer 28. The creation of bidder accounts is generally indicated as step 120 in FIG. 7 and detailed in steps 120 - 127 of FIG. 8. To start the creation of a bidder account, step 120 in

FIG. 8, a bidder presses create account button 80 of bid entry form 76. Pressing create account button 80 causes browser 29 to connect remote computer 30 to account creation form 32 contained in HTML template 27. The bidder fills in three fields 54 of account creation form 32 with their name 44, financial account number 46, and financial account type 48, as shown in FIG. 3. The bidder then presses button 52 to send the new account information to computer 28, step 121.

Upon receiving the new account information, account company 26 verifies the bidder name 44, financial account number 46, and financial account type 48 to ensure that they correspond to a valid financial account of the bidder. After successful verification, account creation computer 28 generates identification number 50 for the bidder. Referring again to FIG. 2, account creation computer 28 then generates new account confirmation message 34 on mail server E2 and sends message 34 to mail client E3 of remote computer 30. Bidder 38 then receives new account confirmation message 34 on mail client E3, step 122. Bidder 38 confirms the new account information by pressing button 58 of new account confirmation message 34, step 123.

Upon receiving successful confirmation of the new account information, account creation computer 28 stores bidder account 40 for bidder 38. Account creation computer 28 also generates bidder registration message 36 on mail server E2. Registration message 36 is then sent to mail server E1 of central computer 18, step 124. When central computer 18 receives message 36, central computer 18 creates registration record 42 in database 14, step 125. Registration record 42 is then secured in database 14 from access from remote computers 30, step 126. Securing registration record 42 ensures confidentiality of account information for bidder 38. This ends the account creation process, step 127.

After registering at least one bidding group in central computer 18, company 12 starts an on-line bidding session for the property, which is generally indicated as step 130 in FIG. 7 and detailed in steps 130 - 138 in FIG. 9. To submit bids, each bidder completes the four fields 57 of bid entry form 76 with the bidder name 44, identification number 50, bid amount 62, and bid designation 64, as shown in FIG. 6. After completing the bid entry form 76, the bidder presses enter bid button 78 to send the bid information to central computer 18.

Central computer 18 receives bid entry form 76 entered from remote computer 30, step 131. Central computer 18 then queries database 14 to verify that the bidder name 44 and

bidder identification number 50 received on the bid entry form match an existing registration record. The query results indicate if the bidder has a valid bidder account, step 132. If the answer is NO, central computer 18 executes step 134, notifying the bidder that he or she does not have a valid bidder account. After notifying the bidder, central computer 18 proceeds to step 137, which will be described below.

If the answer is YES, central computer 18 proceeds to step 133, recording bid record 60 in database 14. Bid record 60 includes the bidder name 44, identification number 50, bid amount 62, and bid designation 64, as shown in FIG. 5. Next, central computer 18 contributes bid amount 62 to the total bid of the designated group indicated by bid designation 64, step 135. After contributing bid amount 62, central computer 18 updates total bids 68 in real-time, step 136. Changes in total bids 68 are dynamically displayed to the bidders by sending commands from HTML template 22 to browsers 29. The commands cause browsers 29 to update themselves so that the bidders may view the updated total bids after each bid amount is contributed. Specific techniques of updating browsers in this manner are well known in the art.

Next, central computer 18 determines if the bidding session is completed, step 137. If the answer is NO, central computer 18 returns to step 131, receiving another bid entry form 76. If the answer is YES, the bidding session ends, step 138. In the preferred embodiment, the bidding session runs for a pre-defined period of time, such as two weeks, so that central computer 18 can determine if the bidding session is completed by using a chronometer (not shown). A time period of two weeks is used for illustrative purposes only. It is to be understood that any duration could be set for the bidding session. In an alternative embodiment, the bidding session runs until bidding activity slows below a pre-defined threshold, such as receiving fewer than three bids per day. Again, this is only an example of a suitable threshold. Any other thresholds for minimum bidding activity could be set.

After the bidding session is completed, it is determined if the total bid of any bidding group exceeds a minimum price or threshold value for the property, step 140 in FIG. 7. For example, if the property is a public company, the threshold value may be set as the stock market price of the company. Alternatively, the owner(s) of the property may set any desired minimum price for which he or she is willing to sell the property. If the total bid of any bidding group exceeds the threshold value, the method preferably includes the

additional step of processing a winning group, generally indicated as step 150 in FIG. 7 and detailed as steps 150 - 156 in FIG. 10.

Referring to FIG. 10, company 12 declares the one bidding group having the largest total bid which exceeds the threshold value the winning group, step 151. Next, the winning group is displayed on remote computers 30 for the bidders to view, step 152. Central computer 18 then retrieves winning bid records from database 14, step 153. The winning bid records are those bid records whose bid designation 64 indicates the winning group.

Central computer 18 then sends the winning bid records from mail server E1 to mail server E2 of account company 26. Account company 26 uses bidder name 44 and/or bidder identification number 50 of each winning bid record to match each winning bid record to a corresponding bidder account, step 154. Next, for each winning bid record, account company 26 charges the bid amount 62 to the financial account number 46 of the corresponding bidder account, step 155. After charging the bid amount for each winning bid record, account company 26 transfers the funds generated to company 12, ending the winning group processing, step 156.

#### SUMMARY, RAMIFICATIONS, AND SCOPE

Although the above description contains many specificities, these should not be construed as limiting the scope of the invention, but merely as illustrating the presently preferred embodiment. Many other embodiments of the invention are possible. For example, the method for conducting an on-line bidding session according to the present invention need not be used exclusively for accumulating a collective bid for a publicly traded company. The method of the present invention is effective for accumulating a collective bid for any type of property.

In addition, the method described need not be conducted over the Internet using a world-wide web server. The method is effective using any network that allows the transmission of data between bidders at remote locations and a central processor. Similarly, modems are not necessary to network the central computer, account creation computer, and remote computers. Many other methods of connection are possible, as is well known in the art of computer networking.

For simplicity of understanding, the steps of registering bidding groups and creating bidder accounts are presented before the step of commencing a bidding session. This is

for illustrative purposes only, as bidding groups may be registered in the central computer after the commencement of a bidding session. For example, bidders wishing to participate but not wishing to bid with any of the current bidding groups may form a new bidding group during the bidding session. In this case, the bid entry form is updated  
5 during the bidding session with the name of the new bidding group. Similarly, bidders can create bidder accounts either before or during the bidding session if they desire to contribute to the total bid of a bidding group.

Therefore, the scope of the invention should be determined by the appended claims and  
10 their legal equivalents.



## CLAIMS

What is claimed is:

1. A method for conducting an on-line bidding session to accumulate a collective bid for a property, the bidding session being conducted over a computer network comprising a central computer, a plurality of remote computers, and communication lines connecting the remote computers to the central computer, the method comprising the steps of:
  - a) registering a bidding group in the central computer, wherein the bidding group has a total bid;
  - b) receiving in the central computer bids entered from the remote computers, wherein each of the bids comprises an individual bid amount; and
  - c) contributing the individual bid amounts to the total bid to accumulate the collective bid for the property.
2. The method of claim 1, further comprising the step of creating bidder accounts in an account creation computer networked to the central computer, wherein each of the accounts comprises a bidder name, a bidder identification number, and a financial account number.
3. The method of claim 2, wherein the bidder accounts are created by bidders from the remote computers prior to entering the bids.
4. The method of claim 2, further comprising the step of creating registration records in a database accessible to the central computer, wherein each of the registration records corresponds to a respective one of the bidder accounts and includes the bidder name and the bidder identification number of the corresponding bidder account.
5. The method of claim 4, further comprising the steps of:
  - a) receiving in the central computer with each of the bids the name and the identification number of the bidder who entered the bid;
  - b) verifying that the name and the identification number match an existing registration record in the database prior to contributing the individual bid amount to the total bid; and

- c) recording a bid record in the database, wherein the bid record comprises the bid amount and the identification number of the bidder who entered the bid.

- 5                   6. The method of claim 5, further comprising the steps of:
- a) determining if the total bid exceeds a threshold value for the property; and
- 10               b) if the total bid exceeds the threshold value;
- i) declaring the bidding group a winning group;
- ii) retrieving the bid records from the database;
- iii) matching each of the bid records to a corresponding bidder account; and
- iv) charging the corresponding bidder account the bid amount stored in the bid record.

- 15               7. The method of claim 1, further comprising the steps of displaying the total bid on the remote computers and updating the total bid in real-time after each of the individual bid amounts is added to the total bid.

- 20               8. The method of claim 1, further comprising the step of displaying on the remote computers a description of the property.

- 25               9. The method of claim 1, wherein the central computer comprises a web server and the communication lines comprise Internet lines.

- 30               10. A system for conducting an on-line bidding session to accumulate a collective bid for a property, the system having a computer network comprising:
- a) a central computer for registering a bidding group and a total bid for said bidding group;
- b) a plurality of remote computers for entering bids, wherein each bid comprises and individual bid amount;
- c) a plurality of communication lines connecting the remote computers to the central computer, such that the central computer receives the bids from the remote computers and contributes the individual bid amounts to the total bid to accumulate the collective bid for the property.
- 35



## METHOD FOR CONDUCTING AN ON-LINE BIDDING SESSION WITH BID POOLING

### ABSTRACT OF THE DISCLOSURE

5 The invention presents a method for conducting an on-line bidding session to accumulate a collective bid for a property. The bidding session is conducted over a computer network that includes a central computer, a number of remote computers, and communication lines connecting the remote computers to the central computer.

10 According to the method, at least one bidding group is registered in the central computer. The bidding group can be an association, institution, or group of investors formed for the purpose of bidding together for the property. The bidding group has a total bid for the property which is tracked in the central computer. The central computer receives bids entered from the remote computers by members of the bidding group. Each bid includes  
15 an individual bid amount which is contributed to the total bid of the group to accumulate the collective bid for the property.

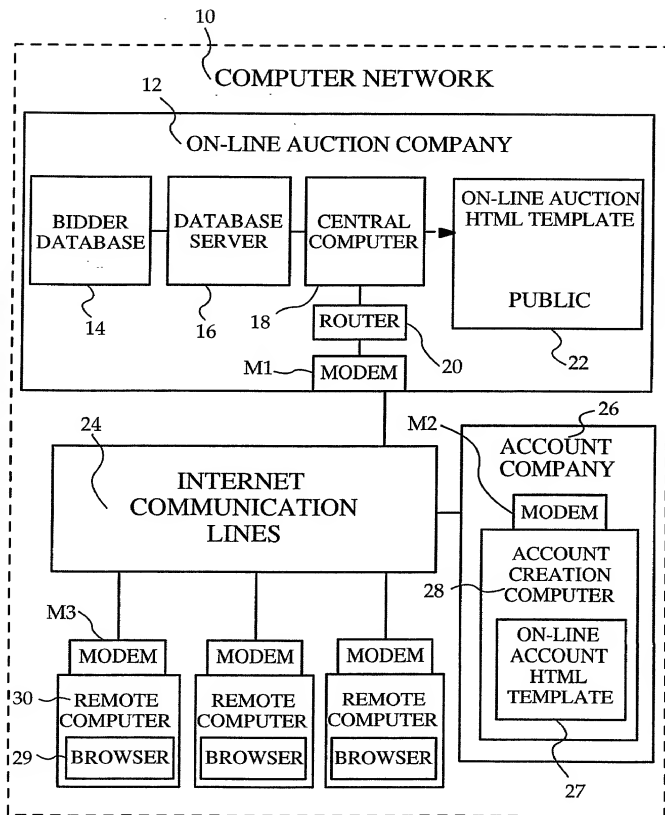


FIG. 1

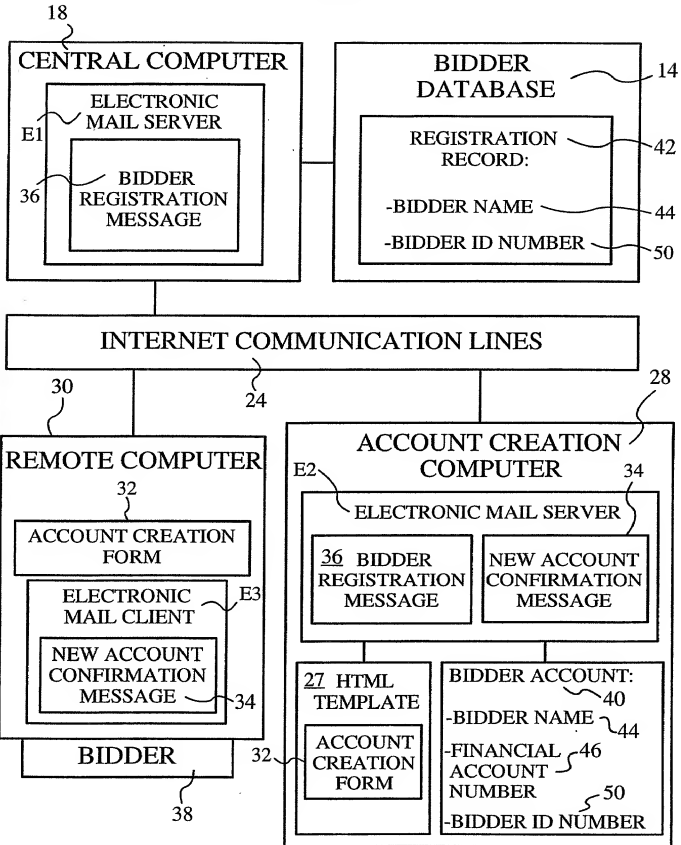


FIG. 2

32

### ACCOUNT CREATION FORM

BIDDER NAME: 44

JOHN SMITH 54

FINANCIAL 46  
ACCOUNT NUMBER:

5423 6789 8976 4543

FINANCIAL 48  
ACCOUNT TYPE:

CREDIT CARD

52

SEND  
ACCOUNT  
INFORMATION

56

BIDDER IDENTIFICATION NUMBER WILL BE ASSIGNED  
IN A NEW ACCOUNT CONFIRMATION MESSAGE

FIG. 3

34

### NEW ACCOUNT CONFIRMATION MESSAGE

BIDDER NAME: 44

JOHN SMITH 55

FINANCIAL 46  
ACCOUNT NUMBER:

5423 6789 8976 4543

FINANCIAL 48  
ACCOUNT TYPE:

CREDIT CARD

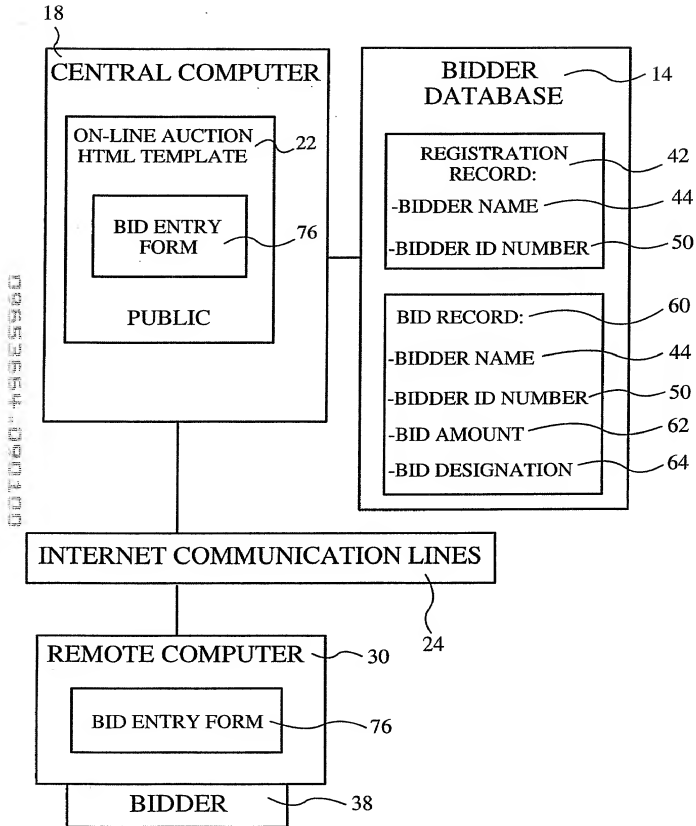
BIDDER ID NUMBER: 50

431532

58

PLEASE CONFIRM  
YOUR NEW  
ACCOUNT  
INFORMATION  
WITH YOUR  
ACCOUNT  
COMPANY

FIG. 4

**FIG. 5**



76

70

**BID ENTRY FORM**

CURRENT ITEM: -GRAPHICAL PICTURE 72

- DESCRIPTION 74

**CONFIRM BIDDING GROUP**

66

ABC INVESTORS

- TOTAL BID 68

XYZ INVESTORS

- TOTAL BID

BIDDER NAME: 44

JOHN SMITH 57

ENTER BID 78

BIDDER ID NUMBER: 50

431532

BID AMOUNT: 62

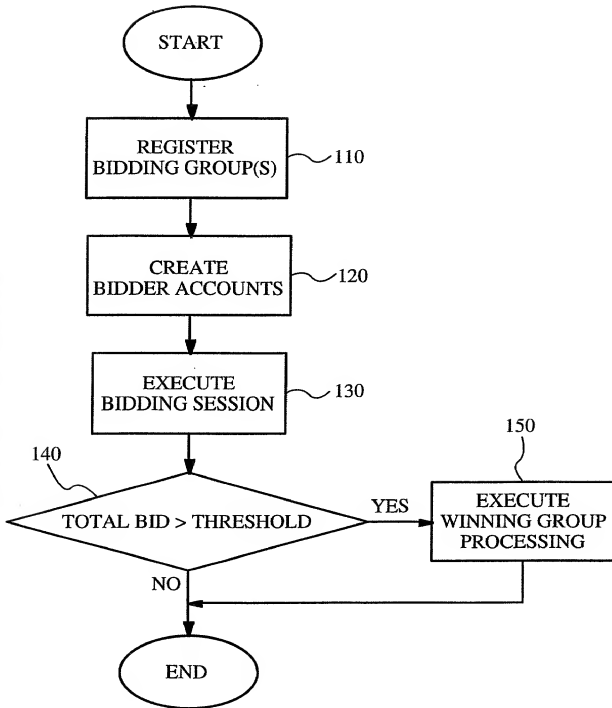
\$500.00

CREATE ACCOUNT

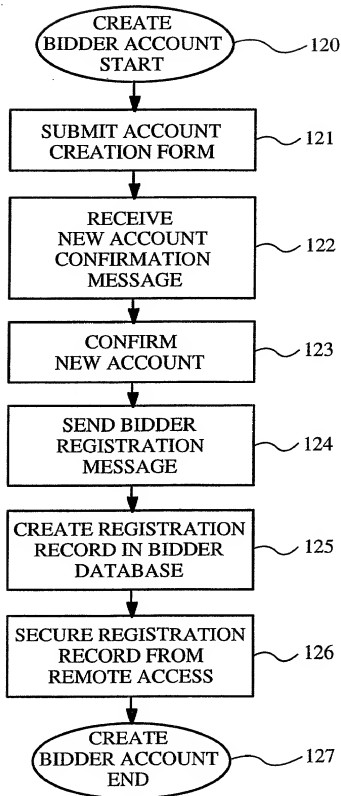
BID DESIGNATION: 64

ABC INVESTORS 80

FIG. 6

**FIG. 7**

7/8



**FIG. 8**

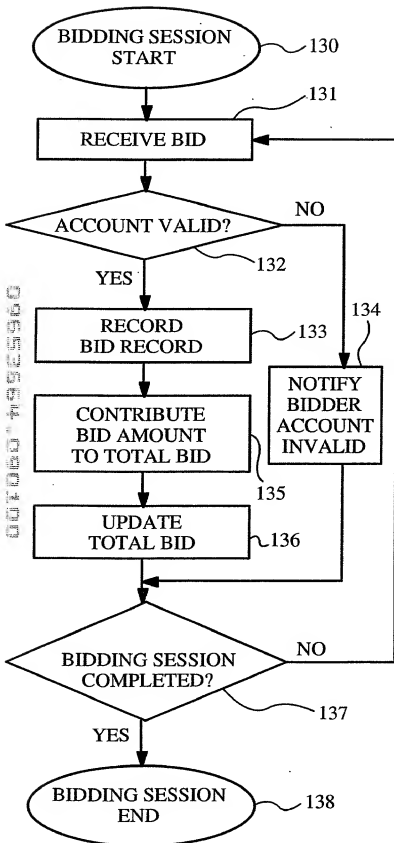


FIG. 9

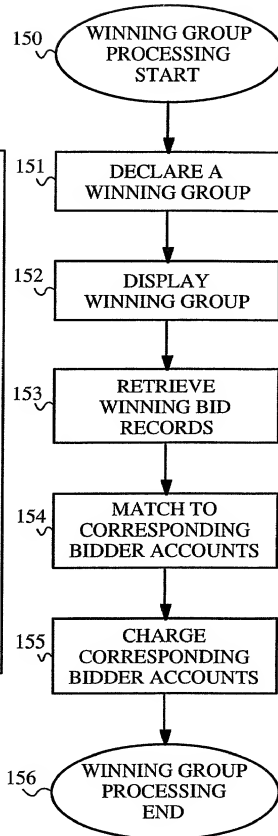


FIG. 10

# Declaration for Patent Application and Power of Attorney

As a below named inventor, I hereby declare that my residence, post office address, and citizenship are as stated below next to my name, and that I believe I am the original, first and sole inventor (if only one is listed) or an original, first and joint inventor (if plural names are listed) of the subject matter which is claimed and for which a patent is sought on the invention described in the attached application entitled **METHOD FOR CONDUCTING AN ON-LINE BIDDING SESSION WITH BID POOLING.**

|                            |                 |                                       |              |        |
|----------------------------|-----------------|---------------------------------------|--------------|--------|
| First or Sole<br>Inventor: | Full name:      | STEPHEN J. BROWN                      | Citizenship: | U.S.A. |
|                            | Residence:      | 3324 Woodside Rd., Woodside, CA 94062 |              |        |
|                            | Postal Address: | same as above                         |              |        |

I have reviewed and understand the contents of the above-identified specification, including the claims, as amended by any amendment referred to above. I acknowledge the duty to disclose information which is material to the examination of this application in accordance with Title 37, Code of Federal Regulations, §1.56(a). I claim foreign priority benefits under Title 35, United States Code, §119 of any foreign application(s) for patent or inventor's certificate listed below and have also identified below any foreign application for patent or inventor's certificate having a filing date before that of the application on which priority is claimed.

## PRIOR FOREIGN APPLICATION(S)

| Country | Application Number | Date of Filing | Priority Claimed Under 35 U.S.C. §119                    |
|---------|--------------------|----------------|--|
| NONE    |                    |                | <input type="checkbox"/> Yes <input type="checkbox"/> No |

I claim the benefit under Title 35, United States Code, §120 of any United States application(s) listed below and, insofar as the subject matter of each of the claims of this application is not disclosed in the prior United States application in the manner provided by the first paragraph of Title 35, United States Code, §112, I acknowledge the duty to disclose material information as defined in Title 37, Code of Federal Regulations, §1.56 which occurred between the filing date of the prior application and the national or PCT international filing date of this application.

## PRIOR U. S. APPLICATION(S)

| Application No. | Filing Date | Status                               |  |   |                                      |
|-----------------|-------------|--------------------------------------|--|---|--------------------------------------|
| 09/092,604      | 6/5/98      | <input type="checkbox"/> Provisional | <input type="checkbox"/> Patented            | <input checked="" type="checkbox"/> Pending | <input type="checkbox"/> Provisional |
| 08/603,131      | 2/20/96     | <input type="checkbox"/> Provisional | <input checked="" type="checkbox"/> Patented | <input type="checkbox"/> Pending            | <input type="checkbox"/> Provisional |

I hereby appoint Thomas J. McFarlane, Reg. No. 39,299, Marek Alboszta, Reg. No. 39,894 as my agents with full power of substitution to prosecute this application and transact all business in the United States Patent and Trademark Office connected therewith. Direct all correspondence to:

**Marek Alboszta**  
426 Lowell Avenue  
Palo Alto, CA 94301-3813  
Telephone: 650-321-6630  
Fax: 650-321-1621.

The attorney docket number for this case is: **RYA-110/CIP/CON.**

I declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both under Title 18, §1001 of the United States Code, and that such willful false statements may jeopardize the validity of the application or any patent issued thereon.

INVENTOR SIGNATURE(S)

STEPHEN J. BROWN

4/27/99  
Date

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Assignee: Health Hero Network, Inc. Attorney Docket No: HERO-1-1074  
Patent No.: 5,601,435 Reel/Frame No.: 9781/0585  
Date of Patent: February 11, 1997 Recordation Date: February 26, 1999  
Title: METHOD AND APPARATUS FOR INTERACTIVELY MONITORING A  
PHYSIOLOGICAL CONDITION AND FOR INTERACTIVELY PROVIDING HEALTH  
RELATED INFORMATION

REVOCATION AND POWER OF ATTORNEY

TO THE ASSISTANT COMMISSIONER FOR PATENTS:

Health Hero Network, Inc., declares in accordance with 37 C.F.R. 3.73 (b) that it is the owner of the entire right, title, and interest in the above-referenced U.S. Patent, as evidenced by the assignment recorded in the Patent and Trademark Office on February 26, 1999, at Reel 9781, Frame 0585. Health Hero Network, Inc., as the assignee in the present U.S. Patent, hereby revokes all previous powers of attorney given and filed in this U.S. Patent application and hereby appoint(s) the firm of Black, Lowe & Graham<sup>PLLC</sup> and Richard T. Black, Washington State Bar No. 20,899 and PTO Reg. No. 40,514; David A. Lowe, Washington State Bar No. 24,453 and PTO Reg. No. 39,281; Lawrence D. Graham, Washington State Bar No. 25,402 and PTO Reg. No. 40,001; and Michael S. Smith, Reg. No. 39, 563; as its attorneys with full power of substitution and revocation to prosecute this U.S. Patent application to issuance, and to transact all business in the United States Patent and Trademark Office connected therewith and to receive the Letters Patent.

Please address all further correspondence relating to this application to:

Michael S. Smith  
Black Lowe & Graham<sup>PLLC</sup>  
816 Second Avenue  
Seattle, Washington 98104

The undersigned is empowered to sign this statement on behalf of the assignee.

Date

April 7, 2000

Name  
Title

Stephen J. Brown  
CEO

calling the Office of Enrollment and Discipline at (703) 306-4097; or, through the Patent Assistance Center toll free number, 1(800)786-9199.

#### Examiner Note:

This form paragraph is to be used **ONLY** after ensuring that the named representative is not registered with the Office. APALM inquiry should be first made and if no listing is given, the Office of Enrollment and Discipline should be contacted to determine the current "recognition" status of the individual named by the applicant in a "power of attorney." If the named individual is **NOT** registered or otherwise recognized by the Office, the correspondence address on the face of the file should be promptly changed to that of the first named inventor unless applicant specifically provides a different "correspondence address." A copy of the Office communication incorporating this form paragraph should also be mailed to the unregistered individual named by the applicant in the "power of attorney." If desired, you may include with your communication, a list of the registered practitioners from applicant's zip code copied from the above noted publication which should be available in the Director's Office.

In the event of a need to file a change in the power of attorney in a plurality of applications or patents of a common assignee or inventive entity, a single, original paper may be used provided that a reproduction of this original paper is supplied in each of the affected applications or patents. The copy of the original paper must identify in which application or patent the original paper is located and authorize the public to inspect and copy the original paper in the event one of the applications containing a copy matures into or is a patent, and the application containing the original paper is pending or has become abandoned. See MPEP § 601.03. See MPEP § 201.06(c) for change in the power of attorney in continuation or divisional applications filed under 37 CFR 1.53(b). See MPEP § 403 for the addition and/or deletion of a practitioner from the list of practitioners associated with a Customer Number. For a representative of a requester of reexamination see MPEP § 2213.

#### 37 CFR 10.18 Signature and certificate for correspondence filed in the Patent and Trademark Office.

(a) For all documents filed in the Office in patent, trademark, and other non-patent matters, except for correspondence that is required to be signed by the applicant or party, each piece of correspondence filed by a practitioner in the Patent and Trademark Office must bear a signature, personally signed by such practitioner, in compliance with § 1.4(d)(1) of this chapter.

(b) By presenting to the Office (whether by signing, filing, submitting, or later advocating) any paper, the party presenting such paper, whether a practitioner or non-practitioner, is certifying that—

(1) All statements made therein of the party's own knowledge are true, all statements made therein on information and belief are believed to be true, and all statements made therein are made with the knowledge that whoever, in any matter within the jurisdiction of the Patent and Trademark Office, knowingly and willfully falsifies, conceals, or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or

uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be subject to the penalties set forth under 18 U.S.C. 1001, and that violations of this paragraph may jeopardize the validity of the application or document, or the validity or enforceability of any patent, trademark registration, or certificate resulting therefrom; and

(2) To the best of the party's knowledge, information and belief, formed after an inquiry reasonable under the circumstances, that —

(i) The paper is not being presented for any improper purpose, such as to harass someone or to cause unnecessary delay or needless increase in the cost of prosecution before the Office;

(ii) The claims and other legal contentions therein are warranted by existing law or by a nonfrivolous argument for the extension, modification, or reversal of existing law or the establishment of new law;

(iii) The allegations and other factual contentions have evidentiary support or, if specifically so identified, are likely to have evidentiary support after a reasonable opportunity for further investigation or discovery; and

(iv) The denial of factual contentions are warranted on the evidence, or if specifically so identified, are reasonably based on a lack of information or belief.

(c) Violations of paragraph (b)(1) of this section by a practitioner or non-practitioner may jeopardize the validity of the application or document, or the validity or enforceability of any patent, trademark registration, or certificate resulting therefrom. Violations of any of paragraphs (b)(2)(i) through (iv) of this section are, after notice and reasonable opportunity to respond, subject to such sanctions as deemed appropriate by the Commissioner, or the Commissioner's designee, which may include, but are not limited to, any combination of —

- (1) Holding certain facts to have been established;
- (2) Returning papers;
- (3) Precluding a party from filing a paper, or presenting or contesting an issue;
- (4) Imposing a monetary sanction;
- (5) Requiring a terminal disclaimer for the period of the delay; or
- (6) Terminating the proceedings in the Patent and Trademark Office.

(d) Any practitioner violating the provisions of this section may also be subject to disciplinary action. See § 10.23(c)(15).

37 CFR 10.18(a) emphasizes that every paper filed by a practitioner must be personally signed by the practitioner, except those required to be signed by the applicant or party. 37 CFR 10.18(b) provides that, by presenting any paper to the Office, the party presenting such paper (whether a practitioner or nonpractitioner) is: (1) certifying that the statements made therein are subject to the declaration clause of 37 CFR 1.68; and (2) making the certifications required for papers filed in a federal court under Rule 11(b) of the Federal Rules of Civil Procedure. See MPEP § 410; 37 CFR 10.18(d) provides that any practitioner violating the provisions of 37 CFR 10.18 may also be subject to disciplinary action (see 37 CFR 10.23(c)(15)), thus clarifying that a practitioner may be subject to disciplinary action in lieu of, or in addition to, the sanctions set forth in 37 CFR 10.18(c)